

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301
Indianapolis, IN 46204
(317) 233-0696
<http://www.in.gov/legislative>

FISCAL IMPACT STATEMENT

LS 6946

BILL NUMBER: HB 1207

NOTE PREPARED: Feb 21, 2012

BILL AMENDED: Jan 23, 2012

SUBJECT: State Civil Service System.

FIRST AUTHOR: Rep. Davis

FIRST SPONSOR: Sen. Boots

BILL STATUS: 2nd Reading - 2nd House

FUNDS AFFECTED: X **GENERAL
DEDICATED
FEDERAL**

IMPACT: State

Summary of Legislation: (Amended) This bill makes the following changes as the result of the enactment of SECTION 56 of HEA 1001(P.L.229-2011) concerning the State Civil Service System:

- (1) Removes responsibility for public employee collective bargaining from the Budget Agency.
- (2) Removes references to a state employee who is a party to a collective bargaining agreement or an employment contract in connection with leave for bone marrow or organ donation.
- (3) Amends or repeals provisions that conflict with the State Civil Service System law concerning:
 - (A) the Director and Environmental Law Judges of the Office of Environmental Adjudication;
 - (B) the Director and employees of the State Library and the Historical Bureau;
 - (C) the Director of the State Commission on Public Records;
 - (D) veterans' home personnel;
 - (E) a superintendent of a state owned or operated correctional facility;
 - (F) employees of the Protection and Advocacy Service Commission;
 - (G) the Director, Administrative Law Judges, property managers, and employees of the Department of Natural Resources;
 - (H) the state Veterinarian and employees of the Board of Animal Health;
 - (I) employees of the state Department of Health;
 - (J) the superintendent of the School for the Blind and Visually Impaired;
 - (K) the superintendent of the School for the Deaf;
 - (L) employees of the Department of Labor;

(M) employees of the Civil Rights Commission;
(N) the commissioner and employees of the Department of Insurance;
(O) employees of the Department of Financial Institutions;
(P) the State Lottery Commission;
(Q) the Victim Services Division of the Criminal Justice Institute; and
(R) the appointment of assistants to administer welfare activities in the county offices of the Division of Family Resources.

(4) Provides that the Executive Director of the Arts Commission is the commission's appointing authority.

(5) Provides that the Director and employees of the State Library and the Historical Bureau are not subject to board approval for appointment and removal.

(6) Removes restrictions on political activity by employees of the State Library, Historical Bureau, Department of Transportation, and Department of Natural Resources.

(7) Removes the requirement for political party balance in hiring at the Law Enforcement Training Academy, the Department of State Revenue, the State Police Department, State Board of Accounts, and the Department of Natural Resources.

(8) Provides that the Director of the Criminal Justice Institute is the Institute's appointing authority.

(9) Removes a reference to public retirement system employee classifications covered by a labor agreement.

(10) Eliminates a term of office for the Director of the state Commission on Public Records, and provides that the Director is the Commission's appointing authority.

(11) Repeals unique personnel provisions for employees of the Department of Transportation.

(12) Provides that the appointment of employees of the Department of Veterans' Affairs is not subject to approval by the Veterans' Affairs Commission.

(13) Repeals obsolete transitional provisions concerning employees of predecessor agencies of the Department of Homeland Security, State Board of Health, and Department of Workforce Development.

(14) Repeals provisions concerning salary schedules and contracts for teachers employed by the Department of Correction, state institutions, special institutions administered by the state Department of Health, School for the Blind and Visually Impaired, and School for the Deaf.

(15) Repeals an obsolete provision concerning the compensation of District Foresters and Natural Science Managers.

(16) Repeals a provision requiring the restoration of an individual who served as Commissioner of Labor to the same or similar position the individual held before the individual's service.

(17) Provides that the Commissioner of the Department of Insurance is the Department's appointing authority.

(18) Makes technical corrections and conforming amendments.

Effective Date: July 1, 2012.

Explanation of State Expenditures: *Summary* - This bill makes several changes to conform with the current State Civil Service law (IC 4-15-2.2) that was passed in P.L.229-2011. Most of the changes and repealed provisions are dealing with obsolete and/or superseded statutes, and would likely not have a fiscal impact.

The bill does repeal provisions concerning salary schedules and contracts for teachers employed by the Department of Correction, state institutions, special institutions administered by the state Department of Health, School for the Blind and Visually Impaired, and School for the Deaf. The bill does not prescribe a method for determining the salaries, and so they would be subject to IC 4-15-2.2. Any impact will depend upon the extent that the compensation they would have received differs with what is recommended by the State Personnel Director.

Background Information - IC 4-15-2.2-27 provides that the State Personnel Director, after consultation with the State Budget Agency, shall prepare and recommend to the Governor a pay plan for all employees holding positions for which compensation is not fixed by law. Statute also provides that the State Personnel Director shall consider the following factors in establishing the rates:

- (1) The experience in recruiting for positions in the state civil service.
- (2) The prevailing rates of pay for the service performed and for comparable services in public and private employment.
- (3) The cost of living.
- (4) Benefits, other than the rate of pay, available to or received by employees.
- (5) The state's financial condition and policies.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: All.

Local Agencies Affected:

Information Sources:

Fiscal Analyst: Jessica Harmon, 317-232-9854.